

IOWA INDUSTRIAL NEW JOBS TRAINING (260E)

The Industrial New Jobs Training Program provides businesses, which are expanding their Iowa workforce, with new employee training. Available via Iowa's 15 community colleges, the program is financed through bonds sold by the colleges. Depending on wages paid, the business then diverts 1.5 or 3 percent of the Iowa state withholding taxes generated by the new positions to the community college to retire the bonds.

260E funds may be used for a variety of training activities including skill assessments, training equipment, materials and supplies, reimbursement of training travel costs for employees, and on-the-job training.

Eligible businesses must:

- Be located in, or relocating to Iowa
- Be engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling products, warehousing, wholesaling, or conducting research and development.
- Have customers outside of Iowa, if the business is a service provider
- Be creating new positions or jobs

In FY 2007, 150 projects received 260E funding. The amount of funds awarded in FY 2007 was \$61,808,000. Colleges reported 8,712 individuals were trained through the 260E program in FY 2007.

IOWA JOBS TRAINING PROGRAM (260F)

The Iowa Jobs Training Program (260F) provides funds for training to existing employees of eligible Iowa businesses. Eligible businesses can work with their local Iowa community college, which will assess training needs, determine fund availability and provide training.

260F funds may be used for a variety of training activities including skill assessment, adult basic education, training related materials, and contracted or professional services.

Eligible businesses must:

- Be located in, or relocating to Iowa
- Be engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling products, warehousing, wholesaling, or conducting research and development.
- Have customers outside of Iowa, if the business is a service provider

Employees who will receive training must be currently employed by the business. Individual business sites are eligible for maximum awards of \$25,000 per training project. A business site is eligible for a maximum of \$50,000 in program assistance during a three-year period. Training projects costing \$5,000 or more require a 25 percent cash match from the business. The 260F Program is administered by the Iowa Department of Economic Development and services are provided by Iowa's 15 Community Colleges.

In FY 2007, 263 projects received 260F funding. The amount of funds awarded in FY 2007 was \$4,416,090. Colleges reported 1,690 individuals were trained through the

260F program in FY 2007 and an additional 7,934 were to be trained as a result of funds awarded.

ACCELERATED CAREER EDUCATION PROGRAM (ACE) (260G)

The Accelerated Career Education (ACE) program assists Iowa's Community Colleges in establishing or expanding programs that train individuals in the occupations most needed by Iowa businesses.

The program consists of two different parts:

- Infrastructure funds for the necessary infrastructure construction/rehabilitation needed to increase student capacity in the new or expanded classes
- Program job credits, or tax credits, to help fund additional program costs associated with establishing a new program or expanding a current program.

To participate in ACE, eligible businesses enter into an agreement with a college to sponsor a portion or all of the positions created by the new or expanded program. By sponsoring positions, a business agrees to consider the student for employment upon completion of the program. Businesses must assist with program design and provide a 20% match of the program costs, pro-rated by the percentage of positions sponsored. Businesses participating in ACE can receive tax credits, based on the number of positions the businesses sponsors. Credits are a diversion of the company's State withholding taxes, and are paid to the college over the life of the ACE agreement (usually 5 years). Tax credits are capped at \$6 million per year.

In FY 2007, all 15 colleges received ACE funding. The amount of funds awarded in FY 2007 was \$5,500,000 for infrastructure costs and \$5.9 million in tax credits. Colleges reported 272 businesses have signed agreements to sponsor 2,444 student positions. Of the 1,461 students that have completed their education, 207 have been offered jobs within the businesses that sponsored positions. A total of 386 graduates have accepted employment either with a participating business or with another business with their trained occupations at a starting average wage of \$16.30/ hr.

WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUND

The Workforce Training and Economic Development funds provides funds for each community college to address the workforce development needs of the State with the primary focus of providing training and retraining to workers to develop the skills of employees employed in targeted industries or to address a workforce development need of a targeted industry. The fund requires at least 70% of the monies be spent on activities that serve the three industry clusters of advanced manufacturing, information technology and insurance, and biosciences (which includes biotechnology, healthcare and nursing care technology).

Funds may be used for the following purposes:

- Accelerated Career Education programs
- Iowa Jobs Training projects
- Career Academies
- Vocational and Technical Training programs
- In-service Training and Retraining projects
- Operational expenses associated with vocational technical training.

The community colleges received \$7,000,000 from the Iowa Values Fund for fiscal year 2007. These funds are distributed to the colleges based upon the Department of Education's state general aid formula. The legislature has appropriated \$11,500,000 for fiscal year 2008. Of this amount, \$2.5 million was appropriated through the Iowa Power Fund and must be spent on activities associated with the development and expansion of energy industry areas and targeted industries.